AMENDED IN SENATE FEBRUARY 6, 2006 AMENDED IN ASSEMBLY APRIL 28, 2005 AMENDED IN ASSEMBLY MARCH 29, 2005

CALIFORNIA LEGISLATURE—2005-06 REGULAR SESSION

ASSEMBLY BILL

No. 1293

Introduced by Assembly Member Oropeza (Coauthor: Assembly Member Jones)

February 22, 2005

An act to amend Section 2025.520 of the Code of Civil Procedure, relating to production of evidence. An act to amend Sections 8030.2, 8030.4, 8030.6, and 8030.8 of, and to amend, repeal, and add Section 8008 of, the Business and Professions Code, relating to shorthand reporters.

LEGISLATIVE COUNSEL'S DIGEST

AB 1293, as amended, Oropeza. DepositionsTranscript Reimbursement Fund.

Existing law establishes the Court Reporters Board of California and makes it responsible for issuing a certificate to practice shorthand reporting to qualified applicants. Under existing law, until July 1, 2011, funds generated by the initial certificate fee collected by the board, as specified, are used to provide shorthand reporting services for indigent persons, as defined, and deposited into the Transcript Reimbursement Fund for expenditure for that purpose.

This bill would revise the definition of indigent person for these purposes and would make the program funding shorthand reporting services from the Transcript Reimbursement Fund inoperative on July AB 1293 -2-

1, 2009, and would repeal it on January 1, 2010, unless a later-enacted statute changes those dates.

Under existing law, when deposition testimony is stenographically recorded, the deposition officer is required to send written notice to the deponent and to all parties attending the deposition when the original transcript of the testimony for each session of the deposition is available for reading, correcting, and signing, except as specified.

This bill would, if the deponent and attending parties agree on the record, authorize the deposition officer to provide that notice electronically, via e-mail, and to send the transcript electronically. The bill would require any notice sent electronically to include a confidentiality notice, as specified. The bill also would authorize any changes to, or approval of, the transcript to be sent electronically, if the deponent and attending parties agree on the record. The bill would require any transcript sent electronically to be encrypted, password protected, and electronically signed by the deposition officer to prevent the document from being altered or forwarded electronically to, or accessed by, another recipient.

Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 8008 of the Business and Professions
- 2 Code is amended to read:
- 3 8008. The board has the following powers and duties:
- 4 (a) To adopt a seal.
- 5 (b) By affirmative vote of at least three members of the board, 6 to suspend, revoke, or impose any other disciplinary action 7 against a certificate for any cause specified in this chapter.
- 8 (c) To charge and collect all fees as provided for in this 9 chapter.
- 10 (d) To require the renewal of all certificates.
- 11 (e) To issue subpoenas, to administer oaths, and to take 12 testimony concerning any matter within the jurisdiction of the 13 board.
- 14 (f) To investigate the actions of any licensee, upon receipt of a 15 verified complaint in writing from any person, for alleged acts or 16 omissions constituting grounds for disciplinary action under the 17 chapter.

-3-**AB 1293**

(g) To administer the Transcript Reimbursement Fund described in Section 8030.2.

- (h) This section shall become inoperative on July 1, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.
- SEC. 2. Section 8008 is added to the Business and Professions Code, to read:
 - 8008. The board has the following powers and duties:
 - (a) To adopt a seal.

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- (b) By affirmative vote of at least three members of the board, to suspend, revoke, or impose any other disciplinary action against a certificate for any cause specified in this chapter.
- (c) To charge and collect all fees as provided for in this chapter.
 - (d) To require the renewal of all certificates.
- (e) To issue subpoenas, to administer oaths, and to take testimony concerning any matter within the jurisdiction of the board.
- (f) To investigate the actions of any licensee, upon receipt of a verified complaint in writing from any person, for alleged acts or omissions constituting grounds for disciplinary action under the chapter.
 - (g) This section shall become operative on July 1, 2009.
- SEC. 3. Section 8030.2 of the Business and Professions Code is amended to read:
- (a) To provide shorthand reporting services to 8030.2. low-income litigants in civil cases, who are unable to otherwise afford those services, funds generated by fees received by the board pursuant to subdivision (c) of Section 8031 in excess of funds needed to support the board's operating budget for the fiscal year in which a transfer described below is made shall be used by the board for the purpose of establishing and maintaining Transcript Reimbursement Fund. The **Transcript** Reimbursement Fund shall be established by a transfer of funds
- 35 36
- 37 from the Court Reporters' Fund and shall be maintained in an
- 38 amount no less than three hundred thousand dollars (\$300,000)
- 39 for each fiscal year.

AB 1293 —4—

(b) All moneys held in the Court Reporters' Fund on the effective date of this section in excess of the board's operating budget for the 1996–97 fiscal year shall be used as provided in subdivision (a).

- (c) Refunds and unexpended funds that are anticipated to remain in the Transcript Reimbursement Fund at the end of the fiscal year shall be considered by the board in establishing the fee assessment pursuant to Section 8031 so that the assessment shall maintain the *minimum level of funding for the* Transcript Reimbursement Fund—at the appropriate level, as specified in subdivision (a), in the following fiscal year.
- (d) The Transcript Reimbursement Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the Transcript Reimbursement Fund are continuously appropriated for the purposes of this chapter.
- (e) Applicants who have been reimbursed pursuant to this chapter for services provided to litigants and who are awarded court costs or attorneys' fees by judgment or by settlement agreement shall refund the full amount of that reimbursement to the fund within 90 days of receipt of the award or settlement.
- (f) Subject to the limitations of this chapter, the board shall maintain the fund at a level that is sufficient to pay all qualified claims pay all qualified claims until the fund is depleted for that fiscal year. To accomplish this objective, the board shall utilize all refunds, unexpended funds, fees, and any other moneys received by the board.
- (g) Notwithstanding Section 16346 of the Government Code, all unencumbered funds remaining in the Transcript Reimbursement Fund as of June 29,—2011 2009, shall be transferred to the Court Reporters' Fund.
- (h) This section shall become inoperative on July 1, $\frac{2011}{2009}$, and, as of January 1, $\frac{2012}{2010}$, is repealed, unless a later enacted statute, that becomes operative on or before January 1, $\frac{2012}{2010}$, deletes or extends the dates on which it becomes inoperative and is repealed.
- inoperative and is repealed.
 SEC. 4. Section 8030.4 of the Business and Professions Code
 is amended to read:
- 39 8030.4. As used in this chapter:

5 AB 1293

(a) "Qualified legal services project" means a nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons, has a board of directors or advisory board composed of both attorneys and consumers of legal services, and provides for community participation in legal services programming. Legal services projects funded either in whole or in part by the Legal Services Corporation or with Older Americans Act funds are presumed to be qualified legal services projects for the purposes of this chapter.

- (b) "Qualified support center" means an incorporated nonprofit legal services center, having an office or offices in California, which office or offices provide legal services or technical assistance without charge to qualified legal services projects and their clients on a multicounty basis in California. Support centers funded either in whole or in part by the Legal Services Corporation or with Older Americans Act funds are presumed to be qualified legal services projects for the purposes of this chapter.
- (c) "Other qualified project" means a nonprofit organization formed for charitable or other public purposes, not receiving funds from the Legal Services Corporation or pursuant to the Older Americans Act, which organization or association provides free legal services to indigent persons.
- (d) "Pro bono attorney" means any attorney, law firm, or legal corporation, licensed to practice law in this state,—which that undertakes without charge to the party, the representation of an indigent person, referred by a qualified legal services project, qualified support center, or other qualified project, in a case not considered to be fee generating as defined in this chapter.
- (e) "Applicant" means a qualified legal services project, qualified support center, other qualified project, or pro bono attorney applying to receive funds from the Transcript Reimbursement Fund established by this chapter. The term "applicant" shall not include persons appearing pro se to represent themselves at any stage of the case.
 - (f) (1) "Indigent person" means either a any of the following:
- (A) A person whose income is 125 percent or less of the current poverty threshold established by the Office of Management and Budget of the United States, a disabled person

AB 1293 — 6—

whose income after meeting medical and other disability-related special expenses is 125 percent or less of that current poverty threshold, or a person who receives or is eligible to receive supplemental security income.

- (B) A person who is a supplemental security income recipient.
- (C) A person who is eligible for, or receiving, free services under the Older Americans Act or the Developmentally Disabled Assistance Act.
- (D) A person whose income is 75 percent or less of the maximum level of income for lower income households as defined in Section 50079.5 of the Health and Safety Code, for purposes of a program that provides legal assistance by an attorney in private practice on a pro bono basis.
- (2) For the purposes of this subdivision, the income of a person who is disabled shall be determined after deducting the costs of medical and other disability-related special expenses.
- (g) "Fee-generating case" means any case or matter—which that, if undertaken on behalf of an eligible client by an attorney in private practice, reasonably may be expected to result in payment of a fee for legal services from an award to a client, from public funds, or from an opposing party. A reasonable expectation as to payment of a legal fee exists wherever a client enters into a contingent fee agreement with his or her lawyer. If there is no contingent fee agreement, a case is not considered fee generating if adequate representation is deemed to be unavailable because of the occurrence of any of the following circumstances:
- (1) Where If the applicant has determined that referral is not possible because of any of the following:
- (A) The case has been rejected by the local lawyer referral service, or if there is no such service, by two private attorneys who have experience in the subject matter of the case.
- (B) Neither the referral service nor any lawyer will consider the case without payment of a consultation fee.
- (C) The case is of the type that private attorneys in the area ordinarily do not accept, or do not accept without prepayment of a fee.
- (D) Emergency circumstances compel immediate action before referral can be made, but the client is advised that, if appropriate and consistent with professional responsibility, referral will be attempted at a later time.

7 AB 1293

(2) Where If recovery of damages is not the principal object of the case and a request for damages is merely ancillary to an action for equitable or other nonpecuniary relief; or inclusion of a counterclaim requesting damages is necessary for effective defense or because of applicable rules governing joinder of counterclaims.

- (3) Where If a court appoints an applicant or an employee of an applicant pursuant to a statute or a court rule or practice of equal applicability to all attorneys in the jurisdiction.
- (4) In any case involving the rights of a claimant under a public supported benefit program for which entitlement to benefit is based on need.
- (h) "Legal Services Corporation" means the Legal Services Corporation established under the Legal Services Corporation Act of 1974, Public Law 93-355, as amended.
- (i) "Supplemental security income recipient" means an individual receiving or eligible to receive payments under Title XVI of the Social Security Act, Public Law 92-603, as amended, or payment under Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code.
- (j) "Lawyer referral service" means a lawyer referral program authorized by the State Bar of California pursuant to the rules of professional conduct.
- (k) "Older Americans Act" means the Older Americans Act of 1965, Public Law 89-73, as amended.
- (*l*) "Rules of professional conduct" means those rules adopted by the State Bar pursuant to Sections 6076 and 6077.
- (m) "Certified shorthand reporter" means a shorthand reporter certified pursuant to Article 3 (commencing with Section 8020) performing shorthand reporting services pursuant to Section 8017.
- (n) "Case" means a single legal proceeding from its inception, through all levels of hearing, trial, and appeal, until its ultimate conclusion and disposition.
- (o) "Developmentally Disabled Assistance Act" means the Developmentally Disabled Assistance and Bill of Rights Act of 1975, (42 U.S.C. Sec. 6001 et seq.) as amended.
- (p) This section shall become inoperative on July 1,—2011 2009, and, as of January 1,—2012 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1,

AB 1293 —8—

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1 2012 2010, deletes or extends the dates on which it becomes 2 inoperative and is repealed.

SEC. 5. Section 8030.6 of the Business and Professions Code is amended to read:

5 8030.6. The board shall disburse funds from the Transcript Reimbursement Fund for the costs, exclusive of per diem 6 charges, of preparing either an original transcript and one copy thereof, or where appropriate, a copy of the transcript, of court or deposition proceedings, or both, incurred as a contractual obligation between the shorthand reporter and the applicant, for 10 litigation conducted in California. If no deposition transcript is 11 12 ordered, the board may reimburse the applicant or the certified 13 shorthand reporter designated in the application for per diem 14 costs. The rate of per diem for depositions shall not exceed seventy-five dollars (\$75) for a half day, or one hundred 15 twenty-five dollars (\$125) for a full day. In the event that a 16 17 transcript is ordered within one year of the date of the deposition, 18 but subsequent to the per diem having been reimbursed by the 19 Transcript Reimbursement Fund, the amount of the per diem 20 shall be deducted from the amount of transcript. Reimbursement 21 may be obtained through the following procedures: 22

- (a) The applicant or certified shorthand reporter shall promptly submit to the board the certified shorthand reporter's invoice for transcripts together with the appropriate documentation as is required by this chapter.
- (b) Except as provided in subdivision (c), the board shall promptly determine if the applicant or the certified shorthand reporter is entitled to reimbursement under this chapter and shall make payment as follows:
- (1) Regular customary charges for preparation of original deposition transcripts and one copy thereof, or a copy of the transcripts.
- (2) Regular customary charges for expedited deposition transcripts up to a maximum of two thousand five hundred dollars (\$2,500) per case.
- (3) Regular customary charges for the preparation of original transcripts and one copy thereof, or a copy of transcripts of court proceedings.

-9- AB 1293

(4) Regular customary charges for expedited or daily charges for preparation of original transcripts and one copy thereof or a copy of transcripts of court proceedings.

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- (5) The charges may not include notary or handling fees. The charges may include actual shipping costs and exhibits, except that the cost of exhibits may not exceed thirty-five cents (\$0.35) each or a total of thirty-five dollars (\$35) per transcript.
- (c) The maximum amount reimbursable by the fund under subdivision (b) may not exceed twenty thousand dollars (\$20,000) per case per year.
- (d) If entitled, and funds are available, the board shall forthwith disburse the appropriate sum to the applicant or the certified shorthand reporter when documentation as provided in subdivision (d) of Section 8030.8 accompanies the application. A notice shall be sent to the recipient requiring the recipient to file a notice with the court in which the action is pending stating the sum of reimbursement paid pursuant to this section. The notice filed with the court shall also state that if the sum is subsequently included in any award of costs made in the action, that the sum is to be ordered refunded by the applicant to the Transcript Reimbursement Fund whenever the sum is actually recovered as costs. The court may not consider whether payment has been made from the Transcript Reimbursement Fund in determining the appropriateness of any award of costs to the parties. The board shall also forthwith notify the applicant that the reimbursed sum has been paid to the certified shorthand reporter and shall likewise notify the applicant of the duty to refund any of the sum actually recovered as costs in the action.
- (e) If not entitled, the board shall forthwith return a copy of the invoice to the applicant and the designated certified shorthand reporter together with a notice stating the grounds for denial.
- (f) The board shall complete its actions under this subdivision within 30 days of receipt of the invoice and all required documentation, including a completed application.
- (g) Applications for reimbursements from the fund shall be filled on a first-come basis.
- (h) Applications for reimbursement that cannot be paid from the fund due to insufficiency of the fund for that fiscal year shall be held over until the next fiscal year to be paid out of the renewed fund.

— 10 — AB 1293

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(i) This section shall become inoperative on July 1, 2011 2009, and, as of January 1, 2012 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 4 2012 2010, deletes or extends the dates on which it becomes 5 inoperative and is repealed.

- SEC. 6. Section 8030.8 of the Business and Professions Code is amended to read:
- 8030.8. (a) For purposes of this chapter, documentation accompanying an invoice is sufficient to establish entitlement for reimbursement from the Transcript Reimbursement Fund if it is filed with the executive officer on an application form prescribed by the board that is complete in all respects, and that establishes all of the following:
- (1) The case name and number and that the litigant or litigants requesting the reimbursement are indigent persons.
- (2) The applicant is qualified under the provisions of this chapter.
- (3) The case is not a fee-generating case, as defined in Section 8030.4.
- (4) The invoice or other documentation shall evidence that the certified shorthand reporter to be reimbursed was, at the time the services were rendered, a duly licensed certified shorthand reporter.
- (5) The invoice shall be accompanied by a statement, signed by the applicant, stating that the charges are for transcripts actually provided as indicated on the invoice.
- (6) The applicant has acknowledged, in writing, that as a condition of entitlement for reimbursement that the applicant agrees to refund the entire amount disbursed from the Transcript Reimbursement Fund from any costs or attorneys' fees awarded to the applicant by the court or provided for in any settlement agreement in the case.
- (7) The certified shorthand reporter's invoice for transcripts shall include separate itemizations of charges claimed, as follows:
- (A) Total charges and rates for customary services in preparation of an original transcript and one copy or a copy of the transcript of depositions.
- (B) Total charges and rates for expedited deposition 39 40 transcripts.

-11- AB 1293

(C) Total charges and rates in connection with transcription of court proceedings.

- (b) For an applicant claiming to be eligible pursuant to subdivision (a), (b), or (c) of Section 8030.4, a letter from the director of the project or center, certifying that the project or center meets the standards set forth in one of those subdivisions and that the litigant or litigants are indigent persons, is sufficient documentation to establish eligibility.
- (c) For an applicant claiming to be eligible pursuant to subdivision (d) of Section 8030.4, a letter certifying that the applicant meets the requirements of that subdivision, that the case is not a fee-generating case, as defined in subdivision (g) of Section 8030.4, and that the litigant or litigants are indigent persons, together with a letter from the director of a project or center defined in subdivision (a), (b), or (c) of Section 8030.4 certifying that the litigant or litigants had been referred by that project or center to the applicant, is sufficient documentation to establish eligibility.
- (d) The applicant may receive reimbursement directly from the board when the applicant has previously paid the certified shorthand reporter for transcripts as provided in Section 8030.6. To receive payment directly, the applicant shall submit, in addition to all other required documentation, an itemized statement signed by the certified shorthand reporter performing the services that describes payment for transcripts in accordance with the requirements of Section 8030.6.
- (e) The board may prescribe appropriate forms to be used by applicants and certified shorthand reporters to facilitate these requirements.
- (f) This chapter does not restrict the contractual obligation or payment for services, including, but not limited to, billing the applicant directly, during the pendency of the claim.
- (g) This section shall become inoperative on July 1,—2011 2009, and, as of January 1,—2012 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2012 2010, deletes or extends the dates on which it becomes inoperative and is repealed.
- SECTION 1. Section 2025.520 of the Code of Civil Procedure is amended to read:

AB 1293 — 12 —

2025.520. (a) If the deposition testimony is stenographically recorded, the deposition officer shall send written notice to the deponent and to all parties attending the deposition when the original transcript of the testimony for each session of the deposition is available for reading, correcting, and signing, unless the deponent and the attending parties agree on the record that the reading, correcting, and signing of the transcript of the testimony will be waived or that the reading, correcting, and signing of a transcript of the testimony will take place after the entire deposition has been concluded or at some other specific time.

- (b) For 30 days following each notice under subdivision (a), unless the attending parties and the deponent agree on the record or otherwise in writing to a longer or shorter time period, the deponent may change the form or the substance of the answer to a question, and may either approve the transcript of the deposition by signing it, or refuse to approve the transcript by not signing it.
- (e) Alternatively, within this same period, the deponent may change the form or the substance of the answer to any question and may approve or refuse to approve the transcript by means of a letter to the deposition officer signed by the deponent which is mailed by certified or registered mail with return receipt requested. A copy of that letter shall be sent by first-class mail to all parties attending the deposition.
- (d) For good cause shown, the court may shorten the 30-day period for making changes, approving, or refusing to approve the transcript.
- (e) The deposition officer shall indicate on the original of the transcript, if the deponent has not already done so at the office of the deposition officer, any action taken by the deponent and indicate on the original of the transcript, the deponent's approval of, or failure or refusal to approve, the transcript. The deposition officer shall also notify in writing the parties attending the deposition of any changes which the deponent timely made in person.
- (f) If the deponent fails or refuses to approve the transcript within the allotted period, the deposition shall be given the same effect as though it had been approved, subject to any changes timely made by the deponent.

-13- AB 1293

(g) Notwithstanding subdivision (f), on a seasonable motion to suppress the deposition, accompanied by a meet and confer declaration under Section 2016.040, the court may determine that the reasons given for the failure or refusal to approve the transcript require rejection of the deposition in whole or in part.

- (h) The court shall impose a monetary sanction under Chapter 7 (commencing with Section 2023.010) against any party, person, or attorney who unsuccessfully makes or opposes a motion to suppress a deposition under this section, unless the court finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.
- (i) (1) If the deponent and the attending parties agree on the record, the notice required by subdivision (a) may be sent electronically, via e-mail, and the transcript may be sent by the deposition officer electronically.
- (2) Any notice sent electronically pursuant to subdivision (a) shall include a confidentiality notice in substantially the following form: "The information in this e-mail message and any document attached to this e-mail message is confidential and may be legally privileged. It is intended solely for the addressee. Access to this e-mail message and any attached documents by anyone else is unauthorized. If you are not the intended recipient, any disclosure, copying, distribution, or disclosure of this information is prohibited and may be unlawful."
- (3) Any transcript sent electronically shall be encrypted, password protected, and electronically signed by the deposition officer to prevent the transcript from being altered by the recipient or forwarded electronically to, or accessed by, another recipient.
- (4) The deponent and the attending parties may also agree on the record that any changes to, or approval of, the transcript by the deponent may be transmitted electronically. An electronic signature, as defined by Section 1633.2 of the Civil Code, approving a transcript has the same legal effect and enforceability as a written signature.